

DE News

April 5, 2002 - Iowa Department of Education - Ted Stilwill, Director

Budget update

Earlier this week the Iowa Senate approved the Omnibus Spending Bill (SF 2326), which makes significant cuts in state agency budgets, including education. The bill now is in the House, where it is scheduled to be debated early next week.

Please note that this bill includes targeted "categorical" funding for education programs such as Education Excellence/Phase III, as well as "standing appropriations" such as School Technology. It also includes state aid to community colleges. The 1% allowable growth/state aid appropriation bill for K-12 schools and AEAs for FY03 already has been passed by the legislature and signed by the Governor.

Reductions in the Omnibus Spending Bill include:

- Student Achievement/Teacher Quality: Funded at \$7.75 million, down from \$40 million this year. The Governor had recommended funding remain at \$40 million.
- Phase III: Funded at \$12 million, down from \$23.8 million.
- School Technology: Cut \$10 million, which completely eliminates the funding. The Governor had recommended funding remain at \$10 million.
- Class Size/Early Intervention: Remains the same at \$30 million.
- Community College State Aid: Stays at \$137.6 million, the FY02 level. The Governor had recommended a \$4.0 million increase.

Impacts to K-12 Schools and Teachers

Cutting the Student Achievement and Teacher Quality program to \$7.75 million from \$40 million would mean Iowa's minimum beginning teacher salary will be cut 6% from \$24,500 to \$23,000. Without dedicated state support, the minimum salary for many of the 1,600 new teachers would revert back to \$23,000. Approximately 2,800, of this year's first- and second-year beginning teachers would probably see their salaries reduced next year, some as much as \$1,500. On average, Iowa's newest teachers will lose \$1,250 in salary.

In addition, the combined reduction to more than 30,000 career teachers would be approximately \$27 million. These career teachers received increases this year to assure they would be paid at least \$2,000 above the average of beginning teachers in their district. If career teachers were already \$2,000 above beginning teachers, they received an across-the-board or negotiated increase given to all teachers. All these improvements would be lost.

Of lasting impact would be the impression this would leave with teachers, administrators and school boards, who all will lose faith in the legislature's willingness to keep a promise. Halting the program after only one year breaks the commitment made by the legislature last year to improve salaries to recruit, reward and retain quality educators. When 97% of Iowa districts agreed to participate in this voluntary program and made the commitment to improve evaluation systems and adjust salaries, they believed that the state would keep its commitment as well.

Impacts to Community Colleges

Community colleges already have had to adjust budgets downward, and trying to meet student needs with quality education is an increasing challenge. At the outset, it is important to remember that this proposed lower level of funding occurs at a time of increasing enrollments at the community colleges due to increasing unemployment and job insecurity and uncertainty. At \$4 million below the Governor's recommended level, community colleges will be forced to consider:

- Tuition increases. This year alone, student tuition and fee increases have averaged 11.8%. The colleges have no reliable way to generate revenue beyond tuition.

- Faculty lay-offs. Faculty salaries for next year have, in some instances, already been set. Fewer dollars mean fewer faculty, fewer programs and higher class sizes. In general, community colleges have already eliminated non-union, non-certified and non-contract positions. Faculty is next.
- Fewer professional training programs. Community colleges must consider eliminating or downsizing critical professional programs, such as nursing programs, that have traditionally lower enrollment. This comes at a time when there is an increasing need for people in the areas such as health professions.
- Halting new training programs that create new jobs. Just-in-time local workforce needs will not be met as colleges must reconsider the viability of expanding education opportunities.
- Reduced student and community-related services. Community colleges will need to consider reducing hours of operation (i.e., closing the library and learning center) and increasing class sizes, which will drastically affect learning opportunities.

For a complete legislative update, see <http://www.state.ia.us/educate/legis.html> or <http://www.legis.state.ia.us/>

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*Iowa Department of Education Mission:
"Helping communities meet the learning needs of all of their children and adults"*

DE News provides timely information about legislative and policy issues, grants and funding, trends in education, and other items of immediate interest to Iowa educators and policymakers. Contact: Kathi Slaughter, Iowa Department of Education, 515/281-5651 or kathi.slaughter@ed.state.ia.us.